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AMENDED IN ASSEMBLY JULY 3, 2013
AMENDED IN SENATE APRIL 15, 2013

SENATE BILL

No. 486

Introduced by Senator DeSaulnier
(Coauthor: ~~Senator~~ Coauthors: Senators Cannella, Gaines, and Liu)
(Coauthor: Assembly Member Lowenthal)

February 21, 2013

An act to amend Sections 14526, 14526.5, and 14536 of, to add Sections 14523.5, 14524.3, ~~14525.7~~, 14524.4, and 14526.4 to, and to repeal Section 14009 of, the Government Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 486, as amended, DeSaulnier. Department of Transportation: goals and performance measures.

Existing law provides that the Department of Transportation shall have full possession and control of the state highway system and specifies the duties and responsibilities of the department on various other transportation matters. Existing law requires the department to prepare the interregional transportation improvement program which, along with the regional transportation improvement programs adopted by regional transportation agencies, becomes part of the state

transportation improvement program and identifies most transportation capital improvements to be undertaken over a multiyear period with state and federal funds. Existing law also requires the department to separately prepare the state highway operation and protection program, which identifies capital projects limited to maintenance, safety, and rehabilitation work necessary to preserve and protect the state highway system. Existing law requires the California Transportation Commission to, among other things, adopt the state transportation improvement program and approve the state highway operation and protection program, and further provides for the commission to allocate transportation capital funds to specific projects contained in the state transportation improvement program, but not the state highway operation and protection program, which is managed by the department.

This bill would ~~require~~ *authorize* the commission, ~~on or before January 31, 2015, and every 4 years thereafter, and in consultation with the department, to develop and adopt specific goals for the department to achieve specified priorities relative to the operation of effective transportation systems, the maintenance of the state highway system, and the reduction of greenhouse gas emissions in the department's activities.~~ *department.* The bill would require the commission, in consultation with the department, to identify performance measures ~~in that~~ *with regard to the goals that the commission elects to adopt* and to include an evaluation of the department's progress in meeting the goals in the commission's annual report to the Legislature.

This bill would ~~also require the commission to establish guidelines, including specified standards, for the department to follow in the development and selection of projects for the interregional transportation improvement program, and would require the commission to adopt the program.~~ *authorize the commission to prescribe study areas for analysis and evaluation by the department and to establish guidelines for updates to the California Transportation Plan, commencing with the plan required to be updated by December 31, 2020.* The bill would require the department, on or before December 15, 2015, and ~~every 5 years thereafter, on or before December 15, 2020, to adopt and submit to the commission for approval an interregional transportation strategic plan directed at achieving a high-functioning and balanced interregional transportation system, reflecting specified legislative priorities. The system.~~

The bill would revise the procedures for the development of the interregional transportation improvement program by requiring the

department to submit a draft 5-year interregional transportation improvement program to the commission by October 15 of each odd-numbered year. The bill would require projects included in the draft interregional transportation improvement program to be consistent with the interregional transportation strategic plan, and would plan. The bill would require the commission to hold public hearings on the by November 15 of each odd-numbered year regarding the draft program to and to attempt to reconcile any objections. The department would be required to consider the input received at the hearings and develop and submit a final interregional transportation improvement program to the commission for approval not later than December 15 of each odd-numbered year.

The bill would also require the commission, *in cooperation with the department*, to establish guidelines, including specified standards, for the department to follow in the development and selection of projects for the state highway operation and protection program. The bill would require preparation of a project study report or major investment study prior to inclusion by the department of a project in the state highway operation and protection program. The bill would specifically authorize the commission to decline to adopt the program if it determines that the program is not sufficiently consistent with the guidelines.

Existing law requires the commission to submit an annual report to the Legislature including, among other things, a discussion of major transportation policy issues.

This bill would require the annual report to contain a discussion of the department's project-support costs for capital projects.

Existing law requires the department, by June 30, 1994, to apply for federal funding to be used for conversion of data pertaining to the state highway system from paper storage to intelligent computer information, and to commence implementation of the conversion process within 6 months of receiving federal funding approval.

This bill would repeal these provisions.

The bill would also make legislative findings and declarations.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

1 (a) The state recently contracted with the State Smart
2 Transportation Initiative (SSTI) to conduct an external assessment
3 of the Department of Transportation and provide recommendations
4 for improving the department's performance.

5 (b) The SSTI assessment found that the department has not kept
6 pace with changes in transportation policy and called for reforms
7 to modernize the department's mission, strengthen its performance,
8 and help align the department with the state's policy goals.

9 (c) The regional transportation planning process is an inclusive,
10 exhaustive process that moves from a longer-term vision,
11 represented by the regional transportation plan, to a short-term list
12 of specific projects in the regional transportation improvement
13 program, which implements the long-term vision.

14 ~~(d) The department, which is responsible for the maintenance~~
15 ~~and operation of the state highway system and for the state's~~
16 ~~interregional transportation system, does not currently have in~~
17 ~~place a similarly inclusive planning process that moves from vision~~
18 ~~to implementation.~~

19 *(d) The regional transportation planning process begins with*
20 *the California Transportation Commission offering guidance and*
21 *prescribing study areas for analysis and evaluation by the regional*
22 *agencies, as well as providing guidelines for the preparation of*
23 *the regional transportation plans.*

24 *(e) At the state level, the California Transportation Plan (state*
25 *plan) is intended to guide long-term, inclusive planning for state*
26 *transportation systems. The commission should provide guidance*
27 *for the development of the state plan just as it does for regional*
28 *transportation plans.*

29 *(f) An intensive effort is currently underway by the department*
30 *to develop the next state plan by December 2015. Asking the*
31 *commission to provide guidance now would be disruptive to that*
32 *effort. However, the commission's guidance on the interregional*
33 *transportation strategic plan (interregional plan), which is one of*
34 *the elements of the state plan, would be helpful in the interim until*
35 *development of the next state plan, when the commission's*
36 *guidance should directly inform the development of the state plan.*

37 *(g) The interregional plan, updated based on the commission's*
38 *guidance to reflect current state policies, goals, and objectives,*
39 *can appropriately provide information regarding the department's*
40 *investments in the interregional transportation improvement*

1 *program so that this program is more closely aligned with state*
2 *goals and policies.*

3 (e)

4 (h) Developing a process for the department to follow in
5 development of the state's interregional and highway maintenance
6 and operations programs similar to the regional transportation
7 planning process can create a framework for the department to
8 begin to address the flaws identified in the SSTI assessment and
9 allow the state to catch up with the changes in transportation policy
10 such that the department can once again be aligned with the state's
11 policy goals.

12 SEC. 2. Section 14009 of the Government Code is repealed.

13 SEC. 3. Section 14523.5 is added to the Government Code, to
14 read:

15 ~~14523.5. (a) No later than January 31, 2015, and every four~~
16 ~~years thereafter, the~~ *The* commission, in consultation with the
17 department, ~~shall~~ *may* develop and adopt specific goals for the
18 ~~department to achieve each of the following priorities:~~ *department.*

19 (1) ~~The operation of effective transportation systems for moving~~
20 ~~people and goods between regions and through the state using, for~~
21 ~~example, traffic demand strategies and technology that do not~~
22 ~~require the addition of capacity.~~

23 (2) ~~The maintenance of the state's state highway system in a~~
24 ~~state of good repair.~~

25 (3) ~~The reduction of greenhouse gas emissions to the maximum~~
26 ~~extent feasible in all of the department's activities.~~

27 (b) The commission, in consultation with the department, shall
28 identify performance measures for ~~each of the goals adopted that~~
29 ~~the commission elects to adopt~~ pursuant to subdivision (a) and
30 shall include an evaluation of the department's progress toward
31 meeting these goals in its annual report to the Legislature pursuant
32 to Section 14535. The department shall comply with requests from
33 the commission for information necessary to perform the required
34 evaluation.

35 SEC. 4. Section 14524.3 is added to the Government Code, to
36 read:

37 ~~14524.3. (a) On or before December 15, 2015, and every five~~
38 ~~years thereafter, the department shall adopt and submit to the~~
39 ~~commission an interregional transportation strategic plan directed~~
40 ~~at achieving a high-functioning and balanced interregional~~

1 ~~transportation system. The plan shall be action-oriented and~~
2 ~~pragmatic, considering both the short-term and long-term future,~~
3 ~~and shall present clear, concise policy guidance to the department~~
4 ~~for managing the state's transportation system.~~

5 ~~(b) The plan shall reflect, in order, the following legislative~~
6 ~~priorities:~~

7 ~~(1) Maintaining the state's existing transportation system in a~~
8 ~~state of good repair.~~

9 ~~(2) Addressing the state's responsibility of efficient goods~~
10 ~~movement through and within the state.~~

11 ~~(3) Improving system operations through traffic demand~~
12 ~~strategies and technology.~~

13 ~~(4) Improving the livability of the state's transportation system,~~
14 ~~and improving access to the system to all users, where appropriate.~~

15 ~~(5) Reducing greenhouse gas emissions consistent with the~~
16 ~~California Global Warming Solutions Act of 2006 (Division 25.5~~
17 ~~(commencing with Section 38500) of the Health and Safety Code).~~

18 ~~(6) Assisting regions with congestion reduction when~~
19 ~~appropriate.~~

20 ~~(c) The interregional transportation strategic plan shall be~~
21 ~~consistent with the California Transportation Plan required by~~
22 ~~Section 65071.~~

23 ~~SEC. 5. Section 14525.7 is added to the Government Code, to~~
24 ~~read:~~

25 ~~14525.7. (a) The commission shall adopt guidelines for the~~
26 ~~department to follow in the development and the selection of~~
27 ~~projects for the state's interregional transportation improvement~~
28 ~~program required by Section 14526.~~

29 ~~(b) The guidelines shall include, but not be limited to, all of the~~
30 ~~following:~~

31 ~~(1) Standards for project deliverability.~~

32 ~~(2) Standards for identifying projects and project components.~~

33 ~~(3) Standards for cost estimating.~~

34 ~~(4) Programming methods for cost increases and schedule~~
35 ~~changes.~~

36 ~~(5) Objective criteria for measuring system performance and~~
37 ~~cost-effectiveness of candidate projects.~~

38 ~~(c) The guidelines shall, at a minimum, require that, for each~~
39 ~~project, the program shall specify the allocation or expenditure~~

1 amount and the allocation or expenditure year for each project
2 component, as necessary.

3 (d) ~~The guidelines shall be the complete and full statement of~~
4 ~~the policy, standards, and criteria that the commission intends to~~
5 ~~use in selecting interregional transportation projects to be included~~
6 ~~in the state transportation improvement program.~~

7 (e) ~~The commission may amend the adopted guidelines after~~
8 ~~conducting at least one public hearing. The commission shall make~~
9 ~~a reasonable effort to adopt the amended guidelines prior to its~~
10 ~~adoption of the fund estimate pursuant to Section 14525. In no~~
11 ~~event shall the adopted guidelines be amended, or otherwise~~
12 ~~revised, modified, or altered during the period commencing 30~~
13 ~~days after the adoption of the fund estimate pursuant to Section~~
14 ~~14525 and before the adoption of the state transportation~~
15 ~~improvement program pursuant to Section 14529.~~

16 SEC. 4. *Section 14524.3 is added to the Government Code, to*
17 *read:*

18 *14524.3. Commencing with the update to the California*
19 *Transportation Plan that is required on or before December 31,*
20 *2020, the commission may, in cooperation with the department,*
21 *prescribe study areas for analysis and evaluation by the department*
22 *and may establish guidelines for the preparation of the updates*
23 *to the California Transportation Plan prepared pursuant to Section*
24 *65071.*

25 SEC. 5. *Section 14524.4 is added to the Government Code, to*
26 *read:*

27 *14524.4. (a) On or before December 15, 2015, and on or*
28 *before December 15, 2020, the department shall submit to the*
29 *commission for approval an interregional transportation strategic*
30 *plan directed at achieving a high-functioning and balanced*
31 *interregional transportation system. The plan shall be*
32 *action-oriented and pragmatic, considering both the short-term*
33 *and long-term future, and shall present clear, concise policy*
34 *guidance to the department for managing the state's transportation*
35 *system.*

36 *(b) The interregional transportation strategic plan shall be*
37 *consistent with the California Transportation Plan as updated*
38 *pursuant to Section 65071.*

39 SEC. 6. *Section 14526 of the Government Code is amended*
40 *to read:*

1 14526. (a) Not later than ~~December 15, 2001, and December~~
2 ~~15 of each odd-numbered year thereafter, October 15 of each~~
3 ~~odd-numbered year~~, based on the guidelines established pursuant
4 to Section ~~14525.7, 14530.1~~, and after consulting with the
5 transportation planning agencies, county transportation
6 commissions, and transportation authorities, the department shall
7 submit to the commission ~~for adoption its the draft~~ five-year
8 interregional transportation improvement program consisting of
9 all of the following:

10 (1) Projects to improve state highways, pursuant to subdivision
11 (b) of Section 164 of the Streets and Highways Code.

12 (2) Projects to improve the intercity passenger rail system.

13 (3) Projects to improve interregional movement of people,
14 vehicles, and goods.

15 (b) Projects included in the interregional transportation
16 improvement program shall be consistent with the state
17 interregional transportation strategic plan prepared pursuant to
18 Section ~~14524.2, 14524.4~~.

19 (c) Projects may not be included in the *draft* interregional
20 transportation improvement program without a project study report
21 or major investment study.

22 (d) Major projects shall include current costs updated as of
23 November 1 of the year of submittal and escalated to the
24 appropriate year, and shall be consistent with, and provide the
25 information required in, subdivision (b) of Section 14529.

26 (e) Projects included in the *draft* interregional transportation
27 improvement program shall be consistent with the adopted regional
28 transportation plan.

29 (f) ~~Prior to adopting the department's interregional transportation~~
30 ~~improvement plan, the~~ *On or before November 15 of each*
31 *odd-numbered year, the* commission shall hold ~~not less than at~~
32 *least one* hearing in northern California and one hearing in southern
33 California to attempt to reconcile any objections by any member
34 of the public or other stakeholder to the ~~department's plan. draft~~
35 *interregional transportation improvement program.*

36 (g) *The department shall consider the input received at the*
37 *hearings conducted pursuant to subdivision (f) and shall develop*
38 *a final interregional transportation improvement program. The*
39 *final interregional transportation improvement program shall*
40 *include a summary of the major comments received at the hearings*

1 *and responses to those comments, and shall be submitted to the*
2 *commission for approval not later than December 15 of each*
3 *odd-numbered year.*

4 *(h) The commission shall, when approving the final interregional*
5 *transportation improvement program pursuant to subdivision (g),*
6 *evaluate the extent to which the program is consistent with funding*
7 *priorities established in Section 167 of the Streets and Highways*
8 *Code.*

9 SEC. 7. Section 14526.4 is added to the Government Code, to
10 read:

11 14526.4. (a) ~~The commission~~ *commission, in cooperation with*
12 *the department*, shall establish guidelines for the department to
13 follow in the development and selection of projects for the state
14 highway operation and protection program required by Section
15 14526.5.

16 (b) The guidelines shall include, but not be limited to, all of the
17 following:

- 18 (1) Standards for project deliverability.
19 (2) Standards for identifying projects and project components.
20 (3) Standards for cost estimating.
21 (4) Programming methods for cost increases and schedule
22 changes.

23 (5) Objective criteria for measuring system performance and
24 cost-effectiveness of candidate projects.

25 (c) The guidelines shall, at a minimum, require that, for each
26 project, the state highway operation and protection program shall
27 specify the allocation or expenditure amount and the allocation or
28 expenditure year for each project component, as necessary.

29 (d) The guidelines shall be the complete and full statement of
30 the policy, standards, and criteria that the commission intends to
31 use in reviewing and adopting the state highway operation and
32 protection program.

33 SEC. 8. Section 14526.5 of the Government Code is amended
34 to read:

35 14526.5. (a) Based on the guidelines adopted pursuant to
36 Section 14526.4, the department shall prepare a state highway
37 operation and protection program for the expenditure of
38 transportation funds for major capital improvements that are
39 necessary to preserve and protect the state highway system. Projects
40 included in the program shall be limited to capital improvements

1 relative to maintenance, safety, and rehabilitation of state highways
2 and bridges that do not add a new traffic lane to the system.

3 (b) The program shall include projects that are expected to be
4 advertised prior to July 1 of the year following submission of the
5 program, but which have not yet been funded. The program shall
6 include those projects for which construction is to begin within
7 four fiscal years, starting July 1 of the year following the year the
8 program is submitted.

9 (c) Projects may not be included in the state highway operation
10 and protection program without a project study report or major
11 investment study.

12 (d) The program shall be submitted to the commission not later
13 than January 31 of each even-numbered year. Prior to submitting
14 the plan, the department shall make a draft of its proposed program
15 available to transportation planning agencies for review and
16 comment and shall include the comments in its submittal to the
17 commission.

18 (e) The commission may review the program relative to its
19 overall adequacy, consistency with the guidelines adopted pursuant
20 to ~~Section 14526.4~~, *14526.4 and funding priorities established in*
21 *Section 167 of the Streets and Highway Code*, the level of annual
22 funding needed to implement the program, and the impact of those
23 expenditures on the state transportation improvement program.
24 The commission shall adopt the program and submit it to the
25 Legislature and the Governor not later than April 1 of each
26 even-numbered year. The commission may decline to adopt the
27 program if the commission determines that the program is not
28 sufficiently consistent with the guidelines established in Section
29 14526.4.

30 (f) Expenditures for these projects shall not be subject to
31 Sections 188 and 188.8 of the Streets and Highways Code.

32 SEC. 9. Section 14536 of the Government Code is amended
33 to read:

34 14536. (a) The annual report shall include an explanation and
35 summary of major policies and decisions adopted by the
36 commission during the previously completed state and federal
37 fiscal year, with an explanation of any changes in policy associated
38 with the performance of its duties and responsibilities over the
39 past year.

1 (b) The annual report may also include a discussion of any
2 significant upcoming transportation issues anticipated to be of
3 concern to the public and the Legislature.

4 (c) As part of its role described in Section 14520, the
5 commission's annual report shall also include a discussion of the
6 department's project-support costs, including analyses of the
7 department's expenditures on project support-based-on-cost
8 estimates at the following points in time:

9 (1) Original programming date.

10 (2) Upon completion of the environmental review-process.
11 *process and the approval of the project.*

12 (3) Upon completion of final design and when-contract-is-let.
13 *the construction contract is awarded.*

14 (4) Project closeout date.